

SBA Surveillance Review Most Common Findings

<i>SBA Finding</i>	<i>SBA Description/ Recommendation</i>	<i>GSA Response/Action Step</i>
1. Lack of Adequate Market Research	<ul style="list-style-type: none"> •Lack or flawed market research which resulted in problematic or questionable procurement strategies. •Provide guidance and training to contracting personnel on how to conduct market research, evaluate the data and document the results. •All requisite coordination and approvals should be obtained before proceeding with the solicitation stage. 	<ul style="list-style-type: none"> •GSA AAOSBU is compiling Best Practices for awarding to small business which will include market research and coordination, as well as approvals from GSA OSBU and SBA PCR as required by policy. AAOSBU will distribute the best practices to all regions and will post on GSA's internal collaboration site, InSite.
2. Lack of Subcontracting Plan	<ul style="list-style-type: none"> •Lack of subcontracting plan or improperly executed subcontracting plan, as required by FAR 19.7. 	<ul style="list-style-type: none"> •GSA AAOSBU is in the process of finalizing a Subcontracting Desk Guide which will be distributed to all regions and posted on GSA's internal collaboration site, InSite. •The Subcontracting Desk Guide will provide contracting personnel with policies, procedures, and best practices regarding the Subcontracting Program and requirements, including reporting in eSRS. •OSBU training of Contracting Officers is being held in all regions. Webinar training is currently being developed for later release.
3. Evaluation of Large Business' Performance Under a Subcontracting Plan	<ul style="list-style-type: none"> •Large business contractor's performance under a subcontracting plan is not reviewed or evaluated. •On all new future procurements, subcontracting program past performance data should be included as an evaluation factor. •Contracting personnel should include Electronic Subcontracting Reporting System (eSRS) reports in contract files. 	<ul style="list-style-type: none"> •The Subcontracting Desk Guide will provide contracting personnel with guidance regarding reviewing and evaluating a large business' performance under an approved subcontracting plan and the eSRS system. •eSRS reports should not need to be included in contract files as the reports, and approval of those reports, are already electronically captured in eSRS. If required, COs can make a general note to file to "See eSRS for required reports and approvals."

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3. Evaluation of Large Business' Performance Under a Subcontracting Plan (Cont'd)		<ul style="list-style-type: none"> •GSA is reinvigorating its effort to better evaluate, track and assess the performance of our prime contractors and their subcontracting reports. GSA Central Office is participating in a national performance measure to monitor our subcontracting achievements. •Previously, under Acquisition Letter MV-09-11, GSA instituted a deviation FAR 52.219-9 to require GSA large prime contractors with subcontracting plans to increase the frequency of their reporting. However, there has been a rescission of this deviation to FAR 52.219-9. GSA now follows FAR 52.219-9, which requires reporting subcontracting achievements into eSRS on an semi-annual or annual basis, depending on the type of subcontracting plan approved.
4. Subcontracting Goal Should be Acquisition-Specific	<ul style="list-style-type: none"> •FAR 19.705-4, GSAM 519.705-3(b)(c) and (d), and GSAM 519.705-4 require that contracting officers assess the reasonableness and therefore the acceptability of proposed subcontracting goals. •Misconception that the GSA region-wide subcontracting goals are the standard and target goals for every subcontracting plan, without regard for the nature of the acquisition (e.g., technology, construction, supplies, or services). 	<ul style="list-style-type: none"> •GSA understands one uniform goal across regions would be arbitrary and not in compliance with the regulations. •Regions will communicate to contracting personnel that subcontracting goals should be established in close negotiation with prime awardees based on the nature of the work. •GSA's subcontracting goals are posted in the "GSA Small Business Program Goals" tab at http://insite.gsa.gov/wps/portal.

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4. Subcontracting Goal Should be Acquisition-Specific (Cont'd)	<ul style="list-style-type: none"> •Should evaluate proposed goals by considering the many aspects of the proposed subcontracts, such as what products and services the company is planning to acquire, what work effort will be self performed, the known available pool of eligible subcontractors, etc., to determine if the goals are realistic. •The objective should be to attain goal realism in the evaluation of goals in subcontracting plans. Goals should be reasonable and challenging. 	<ul style="list-style-type: none"> •What perhaps may be misleading is that GSA has developed a model subcontracting plan, advising of GSA subcontracting goals which some procurement teams may interpret as pre-established, uniform goals across projects. However, GSA , as an agency, has goals for subcontracting. Those goals are just that, goals, and are not to be confused with what we are negotiating with contractors to achieve on contracts where subcontracting plans are applicable.
5. Copy of Subcontracting Plan to SBA Area Director and SBTA	<ul style="list-style-type: none"> •Send copy of the subcontracting plan to the Area SBA Director, Office of Government Contracting SBA office where the contract will be performed, as required by FAR 19.705-6(a). • Provide SBTA with a copy of the award and the subcontracting plan within five days of the contract award or contract modification, as required by GSAM 519.705-6. 	<ul style="list-style-type: none"> •GSA AAOSBU will send out an award notification template to all the regions, so that all the regions are following the same method. •The region or AAOSBU's office will provide training to applicable contracting personnel on the requirements of subcontracting plans.
6. Goaling Methodologies	<ul style="list-style-type: none"> •GSA OSBU establishes the goals for all regions nationwide. However, the reasonableness of the goals assigned to a region is questionable because they do not appear to consider past achievements in establishing goals. 	<ul style="list-style-type: none"> •GSA improved its goal-setting methodology to include consideration of previous years' socio-economic achievements, in addition to the annual forecast of contracting opportunities. GSA's FY09 and FY10 portfolios are markedly different than in previous years due to the capital projects under ARRA. Basing regional goals on the forecast, and taking into account the achievement history, is now part of the process.

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6. Goaling Methodologies (Cont'd)	<ul style="list-style-type: none"> •GSA AAOSBU the office responsible for establishing each region's procurement preference goals should take into consideration the previous year(s) socio-economic achievements. Procedures should be developed to establish realistic socio-economic goals for each fiscal year and thereafter. Continual historical retrospective of recent achievements should resolve this issue. 	
7. Set Asides for Task and Delivery Orders Under IDIQs	<ul style="list-style-type: none"> •In accordance with FAR 19.502-2 (Total Business Set Aside), consider set asides for task and delivery orders under multiple award IDIQs. 	<ul style="list-style-type: none"> •GSA follows procedures in FAR 16.505(b)(2) which requires fair opportunity be provided for all awardees on a multiple award contract to compete for delivery order awarded under these contracts. FAR 19.502.2 is not an exception to the fair opportunity process. •GSA encourages setting aside IDIQs for small business when two or more can compete at the point of issuing the initial IDIQ solicitation to limit offerors to small businesses. •Once IDIQ awards have been made, orders against the IDIQ must provide all awardees fair opportunity to compete.
8. ORCA Verification	<ul style="list-style-type: none"> •In accordance with FAR 4.1201(c), the contracting officer must either reference the date of ORCA verification, or include a paper version in the contract file. 	<ul style="list-style-type: none"> •The region notified the contracting officers involved of the deficiencies and the need to take corrective action, and training will be provided.

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9. GSA Form 2689	<ul style="list-style-type: none"> •GSAM 519.502-70 requires that GSA Form 2689, Procurement Not Set Aside(now call Small Business Analysis Record) be coordinated with the SBTA and SBA PCR for acquisitions expected to exceed \$150,000 that cannot be set aside for small business. •Each region should ensure the required documentation and coordination of the GSA Form 2689 and/or other coordination methodologies with the SBTA and SBA PCR for all procurements. 	<ul style="list-style-type: none"> •GSAM 519.502-70 references a \$150,000 threshold for requiring small business set aside GSA Form 2689 because \$150,000 – the simplified acquisition threshold – indicates that all projects valued at less than \$150,000 are to be reserved for small business unless no small businesses are capable of performing the work. •GSA assumes that projects valued at less than \$150,000 shall be set aside for small business per the simplified acquisition threshold, thus precluding the need for a GSA Form 2689. •While the current GSAM language is compliant with the FAR, the GSA has issued Acquisition Letter MV-11-02 that states that awards less than \$150,000 are in fact set aside for small business, and that any exceptions should undergo the proper GSA Form 2689 review and approval process.
10. Small Business Competitive Demonstration Program (SBCDP)	<ul style="list-style-type: none"> •SBA raised various findings regarding the SBCDP. 	<ul style="list-style-type: none"> •No longer applicable since the Small Business Competitiveness Demonstration Program (SBCDP) (FAR 19.10) was repealed for GSA, effective January 31, 2011.